#### REMARKS

Claims 61-82 remain in the present application. Claims 41-60 are cancelled herein. Claims 61-82 are added herein. Applicants respectfully submit that no new matter has been added as a result of the claim amendments. Applicants respectfully request further examination and reconsideration of the rejections based on the arguments set forth below.

# Claim Rejections - 35 U.S.C. §103

#### Claims 41-60

Claims 41-60 are rejected under 35 U.S.C. §103(a) as being allegedly unpatentable over United States Patent Number 7,113,646 to Youn (referred to herein as "Youn") in view of United States Patent Number 5,974,184 to Eifrig et al. (referred to herein as "Eifrig"). Claims 41-60 are cancelled herein, and thus, Applicants respectfully submit that a discussion of the 35 U.S.C. §103(a) rejection of Claims 41-60 is moot.

### Claims 61-82

Applicant respectfully directs the Examiner to independent Claim 61 that recites a method of AC prediction comprising (emphasis added):

performing DC prediction, using a first circuit, for a first macroblock using DC coefficients associated with at least one macroblock adjacent to said first macroblock;

performing AC prediction, using a second circuit, for said first macroblock using AC coefficients associated with said at least one macroblock; and

determining whether an overflow condition is to occur in a first data packet if said first macroblock is encoded in said first data packet, wherein said determining further comprises <u>determining</u> whether said overflow

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Examiner: Lee, Y. Group Art Unit: 2621 condition is to occur based on a quantity of nonzero coefficients determined responsive to said AC prediction.

Independent Claim 72 recites elements similar to independent Claim 61. Claims 62-71 and 73-82 recite further elements of the invention claimed in their respective independent Claims.

Applicants respectfully submit that Youn fails to teach or suggest the elements of "determining whether said overflow condition is to occur based on a quantity of nonzero coefficients determined responsive to said AC prediction" as recited in independent Claim 61. As described in the present application, it is determined whether an overflow condition is to occur based on a quantity of nonzero coefficients determined responsive to an AC prediction. Support for the claim amendments can be found in, for example, lines 18-26 of page 25 of the instant application.

In contrast to the claimed embodiments, Applicants fail to find any teaching or suggestion in Youn of determining whether an overflow condition is to occur based on a quantity of nonzero coefficients as claimed. Additionally, Applicants fail to find any teaching or suggestion in Youn of determining whether an overflow condition is to occur based on a quantity of nonzero coefficients determined responsive to an AC prediction as claimed. Accordingly, Applicants reiterate that Youn fails to teach or suggest the elements of "determining whether said overflow condition is to occur based on a quantity of nonzero coefficients determined responsive to said AC prediction" as recited in independent Claim 61.

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Applicants respectfully submit that Eifrig, either alone or in combination with Youn, fails to cure the deficiencies of Youn discussed herein. More specifically, Applicants respectfully submit that Eifrig, either alone or in combination with Youn, also fails to teach or suggest the elements of "determining whether said overflow condition is to occur based on a quantity of nonzero coefficients determined responsive to said AC prediction" as recited in independent Claim 61.

For these reasons, Applicants respectfully submit that independent Claim 61 is not rendered obvious by Youn in view of Eifrig. Since independent Claim 72 recites elements similar to those recited in independent Claim 61, Applicants respectfully submit that independent Claim 72 is also not rendered obvious by Youn in view of Eifrig. Since Claims 62-71 and 73-82 recite further elements of the invention claimed in their respective independent Claims, Applicants respectfully submit that Claims 62-71 and 73-82 are also not rendered obvious by Youn in view of Eifrig. Thus, Applicants respectfully submit that Claims 61-82 are allowable.

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## CONCLUSION

Applicants respectfully submit that Claims 61-82 are in condition for allowance and Applicants earnestly solicit such action from the Examiner.

The Examiner is urged to contact Applicants' undersigned representative if the Examiner believes such action would expedite resolution of the present Application.

Please charge any additional fees or apply any credits to our PTO deposit account number: 50-4160.

Respectfully submitted,

MURABITO, HAO & BARNES LLP

Dated: 12 / 23 / 2010 /BMF/

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